

**Appropriations Committee
Deficiency Hearing
March 25, 2013
Testimony of
Cheryl Cepelak, Deputy Commissioner
Department of Correction**

Good afternoon Senator Harp, Representative Walker, and members of the Appropriations Committee. My name is Cheryl Cepelak. I am the Deputy Commissioner of Administration for the Department of Correction and I am here today to speak on our projected deficiency and our appropriations status for the current fiscal year. Unfortunately Commissioner Arnone and Deputy Commissioner Dzurenda are unable to be here with you today due to the memorial service of Colorado's Department of Corrections Executive Director Thomas Clements.

We are currently projecting a Personal Services deficit of \$20 million and an Other Expenses deficit of \$2 million for fiscal year 2013. This aggregates to a total projected deficit of \$22 million for the fiscal year.

As you know, our budget was based on achieving savings through the implementation of several cost saving initiatives. We are pleased to report that we have achieved some savings as a result of the implementation of some of these initiatives. Of the agency personal services savings adjustments of \$61.8 million, we have been able to save approximately \$40 million, or 65% of the savings target. Unfortunately we were overly optimistic with regard to the speed of which the implementation of the initiatives could occur and the projected impact of these initiatives was based on the best case scenario. Additionally some of the savings initiatives proved to be beyond our ability to implement due to collective bargaining issues. As a result, these and several other issues, which I will address shortly, have left us in the deficit position we come before you today to address. On a positive note, despite these challenges we are on track to spend \$22 million less this fiscal year than we did last fiscal year.

As we have mentioned in past testimony, the Department's expenditures are driven by the level of the supervised inmate population, which dictates the size of our physical plant, staffing levels, utility costs, maintenance expenses, inmate food, clothing, and other supply costs. Staff overtime, the aging of our facilities and the rising cost of food and utilities continue to be a source of concern for us.

The Personal Services deficit is being primarily driven by our overtime costs. We have made significant efforts in reducing staff overtime and some of our efforts, such as tighter scrutiny of the use of sick time and the redistribution of inmates from higher cost confinement to a lower cost confinement have yielded success, however reducing overtime remains a challenge. Our facilities need to maintain defined staffing levels to ensure the safety and security of Connecticut's citizens, DOC staff, and the inmates committed to our care and custody. In the early 1990's, truth in sentencing legislation was a main driver of rapid facility expansions with nine prisons opening between 1990 and 1995. Many hazardous duty staff hired during this expansion are now, or will soon become eligible to retire. As a result DOC is currently experiencing a great deal of turnover that will remain constant through the next two to three years. This high rate of attrition has made it very difficult to keep staffing levels at the amount needed to

dramatically impact overtime. Currently vacancies make up approximately 50% of DOC's overtime costs.

The Other Expenses deficit is primarily being driven by rising food costs and building maintenance costs. The costs of goods and services have been rising with food and energy costs greater than that of overall inflation. Currently we feed approximately 17,000 inmates per day totaling 19.3 million meals per year. Our Food Service Unit has worked diligently to keep costs down by working with its contracted vendor to decrease the mark up on food by 2.50%, by aggressively taking advantage of opportunity buys and by utilizing inmate labor to revitalize in-house baking for an additional savings of over \$2.1 million. Additionally DOC has been expanding its inmate farming programs that have increased the use of fresh produce without increasing overall food cost. However, even with these and other efforts, the continued rising cost of food has increased our per day meal cost by 9.43%.

In addition over the past several budgets, the agency has had to defer maintenance and repair on its numerous buildings, internal systems, and equipment. The consequence of these deferrals has been an increasing need to address system and equipment failures on an emergency basis, which is more costly and diverts resources away from preventative and normal maintenance. We are very fortunate to have extremely competent and diligent engineering and maintenance staff. The fact that our facilities are in as good a shape as they are is a testament to their hard work and skill, however our facilities are old and given the nature of our business, endure a lot of wear and tear.

As we move forward, the safety of the public, my staff and all inmates remains our primary commitment. Despite these fiscal challenges, I am pleased to report that our facilities remain safe and secure.

Please know that my staff and I remain committed to controlling costs and pursuing efficiencies, where possible, while continuing our primary mission of maintaining a safe, professional, and efficient correctional system.

I appreciate this opportunity to speak with you today.